

PRARAM 9 HOSPITAL
THAILAND / HEALTH CARE SERVICES

PR9 TB

BUY

UNCHANGED

TARGET PRICE	THB22.00
CLOSE	THB17.80
UP/DOWNSIDE	+23.6%
PRIOR TP	THB22.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+10.7%

รายงานผลประกอบการ 4Q23

PR9 รายงานรายได้ EBITDA margin และกำไรปกติทำสถิติสูงสุดใหม่ที่ 188 ลบ. ใน 4Q23 สูงกว่าที่เรคาด

Highlights

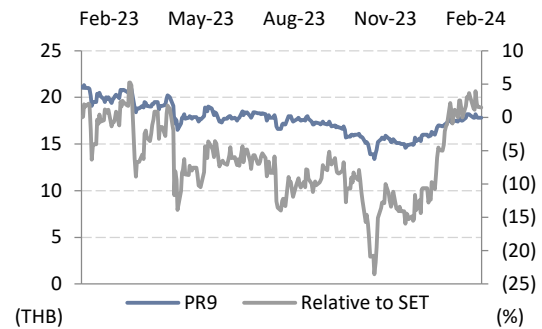
- PR9 รายงานกำไรปกติ 4Q23 ทำสถิติสูงสุดใหม่ที่ 188 ลบ. (+36% y-y, +34% q-q) สูงกว่าที่ตลาดและเรคาด 10% จาก EBITDA margin ที่สูงเกินคาด
- รายได้โต 6% y-y โดยมีรายได้จากผู้ป่วยชาวไทยโต 6% y-y ในขณะที่รายได้จากผู้ป่วยต่างชาติเพิ่ม 9% y-y นำโดยรายได้จากผู้ป่วยชาวพม่า จีนและเขมรที่สูงขึ้น
- รายได้จากผู้ป่วยชาวไทยและต่างชาติทำสถิติสูงสุดใหม่และสูงกว่าระดับก่อนโควิด 57% และ 50% ตามลำดับ
- สัดส่วนรายได้จากผู้ป่วยชาวไทยคิดเป็น 86% ในไตรมาสนี้ในขณะที่รายได้จากผู้ป่วยต่างชาติคิดเป็น 14%
- ค่าใช้จ่ายการขายและบริหารลดลง 4% y-y จากฐานที่สูงใน 4Q22 จากค่าใช้จ่ายโบนัสที่จ่ายให้แก่พนักงาน ต้นทุนขายเพิ่ม 4% y-y ตามรายได้ที่สูงขึ้นซึ่งทำให้ EBITDA margin กระโดดเพิ่มเป็น 26% ใน 4Q23 (เทียบกับ 22% ใน 4Q22) นับว่าเป็นสถิติสูงสุดใหม่ (ไม่รวมช่วงที่โควิดระบาด)
- PR9 ประกาศจ่ายเงินปันผล 0.3 บาท/หุ้นคิดเป็นผลตอบแทนในรูปเงินปันผลที่ 2%

Outlook and recommendation

- เรคาดว่า Momentum การเติบโตจะเกิดต่อเนื่องใน 1Q24 ปริมาณผู้ป่วยในยังอยู่ในเกณฑ์ดีในเดือน ม.ค. และ ก.พ. นอกจากนี้ PR9 ยังได้เริ่มให้บริการผู้ป่วยชาวตะวันออกกลาง เพราะฉะนั้นเรจึงคาดว่ากำไรจะโตดี y-y ใน 1Q24
- PR9 มีการซื้อขายในระดับการประเมินมูลค่าที่ต่ำเพียง 23x ของค่า 2024E P/E (เทียบกับค่าเฉลี่ยของกลุ่มฯ ที่ 26x) และเป็นหนึ่งในหุ้นเด่นของเราในกลุ่ม Mid-small caps จากแนวโน้มที่ดีของบริษัทฯ

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	4,202	4,549	4,826	5,120
Net profit	558	603	656	721
EPS (THB)	0.71	0.77	0.83	0.92
vs Consensus (%)	-	15.6	11.6	11.5
EBITDA	958	1,057	1,138	1,237
Recurring net profit	558	603	656	721
Core EPS (THB)	0.71	0.77	0.83	0.92
Chg. In EPS est. (%)	nm	0.0	0.0	nm
EPS growth (%)	(1.7)	8.2	8.7	9.9
Core P/E (x)	25.1	23.2	21.3	19.4
Dividend yield (%)	1.7	2.2	2.3	2.6
EV/EBITDA (x)	12.6	11.1	9.9	8.8
Price/book (x)	2.8	2.6	2.4	2.3
Net debt/Equity (%)	(37.3)	(42.3)	(46.5)	(50.5)
ROE (%)	11.4	11.5	11.7	12.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.9	17.1	(11.9)
Relative to country (%)	2.5	19.5	4.9
Mkt cap (USD m)			389
3m avg. daily turnover (USD m)			0.7
Free float (%)			59
Major shareholder	Khuning Potjaman Damapong (37%)		
12m high/low (THB)	21.30/13.10		
Issued shares (m)	786.30		

Sources: Bloomberg consensus; FSSIA estimates



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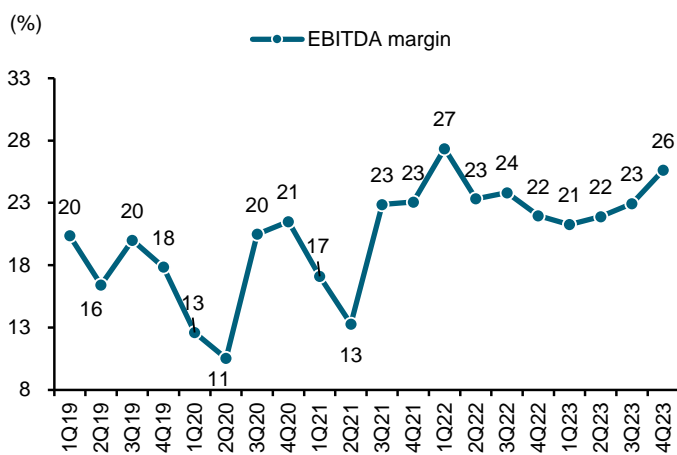
บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 20 กุมภาพันธ์ 2024

Exhibit 1: PR9 - 4Q23 results summary

FY ending Dec	4Q22	1Q23	2Q23	3Q23	4Q23	Change		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	1,103	957	1,005	1,066	1,175	10	6	4,202	4,549	8
COGS (incl depreciation)	(730)	(657)	(688)	(714)	(761)	6	4	(2,820)	(3,048)	8
Gross profit	373	300	316	351	414	18	11	1,382	1,501	9
SG&A	(218)	(182)	(185)	(198)	(209)	6	(4)	(774)	(818)	6
Operating profit	155	118	132	154	205	33	32	608	683	12
Net other income	17	16	17	19	28	45	67	81	71	(12)
Interest expenses	(0)	(0)	(0)	(0)	(0)			(1)	0	n/a
Pretax profit	172	134	149	173	233	35	36	689	754	10
Income Tax	(33)	(25)	(28)	(33)	(45)	36	35	(131)	(151)	15
Core profit	139	109	121	140	188	34	36	558	603	8
Extraordinaries, GW & FX										
Reported net profit	139	109	121	140	188	34	36	558	603	8
Outstanding shares (m)	786	786	786	786	786	0	0	786	786	0
Pre-ex EPS (THB)	0.18	0.14	0.15	0.18	0.24	34	36	0.71	0.77	8
EPS (THB)	0.18	0.14	0.15	0.18	0.24	34	36	0.71	0.77	8
COGS excl. depreciation	(656)	(584)	(614)	(638)	(686)	7	4	(2,521)	(2,725)	8
Depreciation	(74)	(73)	(75)	(76)	(75)	(1)	1	(299)	(323)	8
EBITDA	246	207	224	249	308	24	25	988	1,077	9
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	34	31	31	33	35	2	1	33	33	0
SG&A/Revenue	20	19	18	19	18	(1)	(2)	18	18	(0)
EBITDA margin	22	21	22	23	26	3	4	23	23	0
Net profit margin	13	11	12	13	16	3	3	13	13	(0)
Operating stats	(%)	(%)	(%)	(%)	(%)					
OPD revenue growth y-y	20	6	5	4	3					
OPD volume growth y-y	13	8	4	5	-					
OPD revenue per head growth y-y	6	(2)	1	(0)	-					
IPD revenue growth y-y	15	(11)	1	(5)	12					
IPD volume growth y-y	5	(35)	(10)	(11)	-					
IPD revenue per head growth y-y	10	38	13	6	-					
Thai patient revenue growth y-y	11	(5)	4	1	6					
Inter patient revenue growth y-y	96	29	1	(5)	9					

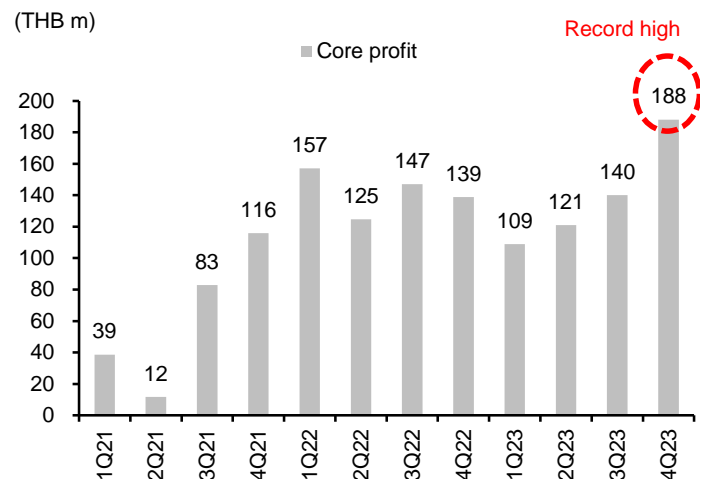
Sources: PR9; FSSIA estimates

Exhibit 2: EBITDA margin



Sources: PR9; FSSIA estimates

Exhibit 3: Core profit



Sources: PR9; FSSIA estimates

Financial Statements

Praram 9 Hospital

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	4,107	4,202	4,549	4,826	5,120
Cost of goods sold	(2,724)	(2,820)	(3,048)	(3,224)	(3,406)
Gross profit	1,384	1,382	1,501	1,602	1,714
Other operating income	43	51	51	52	53
Operating costs	(735)	(774)	(818)	(859)	(896)
Operating EBITDA	991	958	1,057	1,138	1,237
Depreciation	(299)	(299)	(323)	(343)	(365)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	692	659	734	795	872
Net financing costs	8	30	20	25	29
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	700	689	754	820	901
Tax	(132)	(131)	(151)	(164)	(180)
Profit after tax	568	558	603	656	721
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	568	558	603	656	721
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	568	558	603	656	721
Per share (THB)					
Recurring EPS *	0.72	0.71	0.77	0.83	0.92
Reported EPS	0.72	0.71	0.77	0.83	0.92
DPS	0.29	0.30	0.38	0.42	0.46
Diluted shares (used to calculate per share data)	786	786	786	786	786
Growth					
Revenue (%)	37.5	2.3	8.3	6.1	6.1
Operating EBITDA (%)	67.9	(3.4)	10.3	7.7	8.6
Operating EBIT (%)	133.3	(4.7)	11.4	8.3	9.7
Recurring EPS (%)	127.8	(1.7)	8.2	8.7	9.9
Reported EPS (%)	127.8	(1.7)	8.2	8.7	9.9
Operating performance					
Gross margin inc. depreciation (%)	33.7	32.9	33.0	33.2	33.5
Gross margin exc. depreciation (%)	41.0	40.0	40.1	40.3	40.6
Operating EBITDA margin (%)	24.1	22.8	23.2	23.6	24.2
Operating EBIT margin (%)	16.8	15.7	16.1	16.5	17.0
Net margin (%)	13.8	13.3	13.3	13.6	14.1
Effective tax rate (%)	18.9	19.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	40.2	42.3	50.0	50.0	50.0
Interest cover (X)	(84.0)	(22.3)	(36.8)	(32.1)	(30.1)
Inventory days	8.1	7.2	6.7	6.8	6.8
Debtor days	20.2	23.1	23.3	21.9	20.7
Creditor days	82.5	73.9	72.7	73.5	73.5
Operating ROIC (%)	18.1	17.6	19.3	21.2	23.5
ROIC (%)	17.4	16.1	17.5	19.2	21.2
ROE (%)	12.6	11.4	11.5	11.7	12.0
ROA (%)	10.5	9.3	9.6	9.7	10.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
OPD patient revenue	2,383	2,491	2,621	2,781	2,950
IPD patient revenue	1,725	1,711	1,928	2,045	2,169

Sources: Praram 9 Hospital; FSSIA estimates

Financial Statements

Praram 9 Hospital

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	568	558	603	656	721
Depreciation	299	299	323	343	365
Associates & minorities	-	-	-	-	-
Other non-cash items	10	10	0	0	0
Change in working capital	(5)	(23)	46	35	37
Cash flow from operations	871	844	972	1,034	1,122
Capex - maintenance	(140)	(326)	(323)	(343)	(364)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(150)	(100)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(290)	(426)	(323)	(343)	(364)
Dividends paid	(110)	(234)	(236)	(302)	(328)
Equity finance	0	0	0	0	0
Debt finance	2	1	0	0	0
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(108)	(233)	(236)	(302)	(328)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	473	184	413	390	430
Free cash flow to firm (FCFF)	581.44	418.17	648.69	691.26	757.76
Free cash flow to equity (FCFE)	582.47	418.73	648.69	691.26	757.76

Per share (THB)

FCFF per share	0.74	0.53	0.82	0.88	0.96
FCFE per share	0.74	0.53	0.82	0.88	0.96
Recurring cash flow per share	1.11	1.10	1.18	1.27	1.38

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	5,638	5,898	6,222	6,565	6,929
Less: Accumulated depreciation	(2,322)	(2,556)	(2,878)	(3,222)	(3,586)
Tangible fixed assets (net)	3,315	3,343	3,343	3,343	3,343
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	154	254	254	254	254
Cash & equivalents	1,717	1,901	2,314	2,704	3,134
A/C receivable	243	290	290	290	290
Inventories	51	48	52	55	58
Other current assets	12	12	13	14	14
Current assets	2,023	2,251	2,669	3,063	3,496
Other assets	65	62	62	62	62
Total assets	5,558	5,910	6,328	6,722	7,155
Common equity	4,735	5,080	5,447	5,801	6,194
Minorities etc.	0	0	0	0	0
Total shareholders' equity	4,735	5,080	5,447	5,801	6,194
Long term debt	8	9	9	9	9
Other long-term liabilities	209	195	195	195	195
Long-term liabilities	217	204	204	204	204
A/C payable	499	522	564	596	629
Short term debt	0	0	0	0	0
Other current liabilities	106	105	113	120	127
Current liabilities	606	626	677	716	757
Total liabilities and shareholders' equity	5,558	5,910	6,328	6,722	7,155
Net working capital	(299)	(276)	(322)	(357)	(394)
Invested capital	3,235	3,382	3,337	3,302	3,264

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	6.02	6.46	6.93	7.38	7.88
Tangible book value per share	6.02	6.46	6.93	7.38	7.88

Financial strength

Net debt/equity (%)	(36.1)	(37.3)	(42.3)	(46.5)	(50.5)
Net debt/total assets (%)	(30.8)	(32.0)	(36.4)	(40.1)	(43.7)
Current ratio (x)	3.3	3.6	3.9	4.3	4.6
CF interest cover (x)	(69.7)	(13.2)	(31.5)	(26.9)	(25.2)

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	24.7	25.1	23.2	21.3	19.4
Recurring P/E @ target price (x) *	30.5	31.0	28.7	26.4	24.0
Reported P/E (x)	24.7	25.1	23.2	21.3	19.4
Dividend yield (%)	1.6	1.7	2.2	2.3	2.6
Price/book (x)	3.0	2.8	2.6	2.4	2.3
Price/tangible book (x)	3.0	2.8	2.6	2.4	2.3
EV/EBITDA (x) **	12.4	12.6	11.1	9.9	8.8
EV/EBITDA @ target price (x) **	15.7	16.1	14.2	12.8	11.5
EV/invested capital (x)	3.8	3.6	3.5	3.4	3.3

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Praram 9 Hospital; FSSIA estimates

Praram 9 Hospital PCL (PR9 TB)

FSSIA ESG rating

54.08 /100
Exhibit 4: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 5: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BCH	39.71	--	--	--	4.00	5.00	Certified	High	48.21	--	--	27.19	18.00	3.52	47.60
BDMS	74.00	Y	Y	Y	5.00	4.00	--	Medium	61.06	AA	34.00	59.83	72.00	3.45	58.92
BH	51.21	--	--	--	4.00	4.00	--	Medium	64.29	A	29.00	59.03	27.00	5.08	47.79
CHG	38.25	--	--	--	4.00	5.00	--	High	55.35	--	--	59.57	21.00	2.34	50.24
PR9	54.08	--	Y	Y	5.00	5.00	Certified	High	71.12	--	--	62.39	--	2.43	37.90
PRINC	18.00	--	--	--	4.00	4.00	Certified	--	--	--	--	--	--	--	--
RAM	11.75	--	--	--	3.00	--	--	High	--	--	--	--	--	--	--
THG	18.75	--	--	--	5.00	5.00	--	High	--	--	--	--	--	--	--
VIBHA	20.88	--	--	--	4.00	3.00	Declared	High	--	--	--	--	17.00	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	2.33	2.43
BESG environmental pillar score	—	2.56	2.18
BESG social pillar score	—	1.36	1.52
BESG governance pillar score	—	4.13	4.46
ESG disclosure score	—	37.90	37.90
Environmental disclosure score	—	11.78	11.78
Social disclosure score	—	20.68	20.68
Governance disclosure score	—	81.10	81.10
Environmental			
Emissions reduction initiatives	No	Yes	Yes
Climate change policy	No	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	No	No	No
GHG scope 1	—	0	0
GHG scope 2 location-based	—	4	6
GHG Scope 3	—	0	5
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	No	Yes	Yes
Total energy consumption	—	7	13
Renewable energy use	—	—	—
Electricity used	—	—	—
Fuel used - natural gas	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 7: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	No	Yes	Yes
Hazardous waste	—	—	—
Total waste	—	—	—
Waste recycled	—	—	—
Waste sent to landfills	—	—	—
Environmental supply chain management	No	No	No
Water policy	No	Yes	Yes
Water consumption	—	60	151
Social			
Human rights policy	Yes	Yes	Yes
Policy against child labor	No	Yes	Yes
Quality assurance and recall policy	No	Yes	Yes
Consumer data protection policy	No	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes
Gender pay gap breakout	No	No	No
Pct women in workforce	—	—	—
Pct disabled in workforce	—	—	—
Business ethics policy	No	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes
Health and safety policy	No	Yes	Yes
Lost time incident rate - employees	—	—	—
Total recordable incident rate - employees	—	1	0
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	No
Number of employees – CSR	2,083	1,987	2,011
Employee turnover pct	—	11	13
Total hours spent by firm - employee training	14,566	13,462	66,852
Social supply chain management	No	No	No
Governance			
Board size	10	10	9
No. of independent directors (ID)	4	7	6
No. of women on board	2	2	2
No. of non-executive directors on board	7	7	6
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	7	7	7
Board meeting attendance pct	97	100	89
Board duration (years)	3	3	3
Director share ownership guidelines	No	No	No
Age of the youngest director	56	56	57
Age of the oldest director	72	73	74
No. of executives / company managers	7	5	5
No. of female executives	2	0	0
Executive share ownership guidelines	No	No	No
Size of audit committee	3	3	3
No. of ID on audit committee	3	3	3
Audit committee meetings	4	4	4
Audit meeting attendance %	100	100	100
Size of compensation committee	3	3	3
No. of ID on compensation committee	3	2	3
No. of compensation committee meetings	2	2	2
Compensation meeting attendance %	83	100	100
Size of nomination committee	3	3	3
No. of nomination committee meetings	2	2	2
Nomination meeting attendance %	83	100	100
Sustainability governance			
Verification type	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). (<i>The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.</i>)	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. (<i>Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.</i>)	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainability	The Sustainability's ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. (<i>Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.</i>)																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

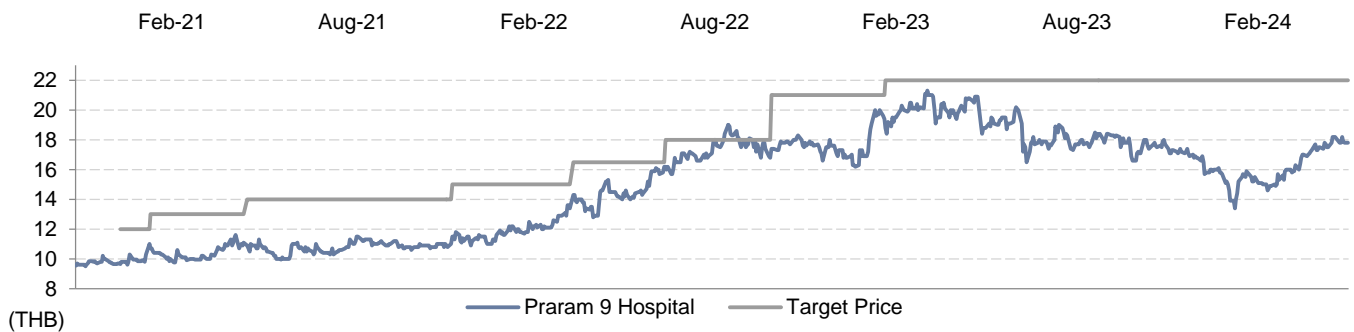
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Praram 9 Hospital (PR9 TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
31-Mar-2021	BUY	12.00	10-Jan-2022	BUY	15.00	11-Oct-2022	BUY	21.00
26-Apr-2021	BUY	13.00	22-Apr-2022	BUY	16.50	17-Jan-2023	BUY	22.00
16-Jul-2021	BUY	14.00	12-Jul-2022	BUY	18.00			

Teerapol Udomvej, CFA started covering this stock from 30-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Praram 9 Hospital	PR9 TB	THB 17.80	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 19-Feb-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.